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IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 139

JACK ST. CLAIR KILBY, *Petitioner*

v.

ROBERT N. NOYCE, *Respondent*

PETITIONER'S REPLY BRIEF

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PETITIONER'S REPLY BRIEF

In his opposition to the petition for a writ of certiorari, respondent has changed his position concerning the rules that govern this controversy. He has now apparently conceded that the *Morgan* v. *Daniels* rule should bind the Court of Customs and Patent Appeals on *factual* issues such as are presented by this case (Resp. Br. at 9). If that rule were applied here, petitioner would prevail.

1. The CCPA Reversed the Patent Office on Issues of Fact.

In attempting to restate the question presented, respondent claims it concerns

> "Whether the CCPA erred in its . . . conclusion that the Patent Office had applied an incorrect *legal* standard . . ." (Resp. Br. at 2) [Emphasis added]

The Patent Office found that petitioner's 1959 application, when read as addressed to one skilled in the art of miniature electronic circuits, was adequate to entitle petitioner to an award of priority of invention. The CCPA reviewed afresh petitioner's 1959 application and, disagreeing with the fact findings of the Patent Office, held that petitioner was not entitled to priority. Respondent now says that this was a ruling by the CCPA on an issue of law, reviewable free of any "clearly erroneous" standard (Resp. Br. at 9-10). But respondent cites no authority in support of his new position.

Priority of invention is a question of fact. *Morgan* v. *Daniels*, 153 U.S. 120, 125 (1894). It is equally clear that a determination of the meaning of language in a patent application to one skilled in the art is also a question of fact. *Battin* v. *Taggert*, 17 How. (58 U.S.) 74, 85 (1854); *Loom Co.* v. *Higgins*, 105 U.S. 580, 586 (1882); *A. B. Dick Co.* v. *Barnett*, 288 Fed. 799, 800 (2d Cir. 1923); *Moist Cold Refrigerator Co., Inc.* v. *Lou Johnson Co., Inc.*, 249 F.2d 246, 254 (9th Cir. 1957), *cert. denied*, 356 U.S. 968 (1958).* The record shows that, throughout the proceedings

* It has been recognized from earliest times that sufficiency of disclosure of a patent specification is a question of fact. Nearly a century and a half ago in an infringement action based on a patent issued in 1808 to the famous inventor Oliver Evans, we find Mr. Justice Story speaking for this Court as follows:

> "Was the patent of the plaintiff, so far as respects his improved Hopperboy, a patent for the whole machine as his own invention? *It is not disputed that the specification does contain a good and sufficient description of the improved Hopperboy, and of the manner of constructing it; and if there had been any dispute on this subject, it would have been matter of fact for the jury, and not of law for the decision of the Court.*" [Emphasis added] *Evans* v. *Eaton*, 7 Wheat. (20 U.S.) 356, 428 (1822).

below, respondent treated the controlling questions in this case as factual. He introduced voluminous evidence before the Board of Patent Interferences, and both in his brief there and in his brief to the CCPA urged that the key issues were the factual questions disputed by the experts.* Respondent now seeks to disavow his prior urgings that factual issues are involved. Yet, the only case cited by respondent (Resp. Br. at 10) to support his argument that legal issues are reviewable free of the "clearly erroneous" rule, states the proper standard for review of facts:

> "It is just as clear, however, that when the Patent Office applies a proper principle of law to its factual findings, the resulting judgment is entitled to 'great weight' and that 'in the absence of new evidence carrying "thorough conviction"' . . . the action of the Patent Office should be affirmed." *Stieg* v. *Commissioner of Patents*, 353 F.2d 899, 901 (D.C. Cir. 1965).**

This states the rule respondent seeks to, but cannot, avoid.

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* Before the CCPA, respondent stated "The issue [in this case] . . . is: did the Kilby '602 application in February 1959, by the mere two words 'laid down' in the 'key sentence' necessarily teach one skilled in the art at that time: (1) that he should select metal which is capable of secure adherence . . . and (2) that he should 'lay it down' in a manner which will securely adhere." (Emphasis in original deleted). Brief of respondent before the CCPA, at 19. In his brief before the Board of Patent Interferences, respondent discussed at length the relative qualifications of the parties' expert witnesses who testified on the adequacy of petitioner's 1959 application. He stated the discussion "is believed appropriate" as it was on the experts' testimony that "the Board inevitably must rely heavily." Brief of Respondent before the Board of Patent Interferences, at 6. Such reliance obviously was necessary only if the issues before the Board were factual.

** Of course the CCPA was confined to the record made in the Patent Office, so no new evidence was available to it. See *Brenner* v. *Manson*, 383 U.S. 519, 525 (1966).

2. If, as Contended by Petitioner, the Rule of Morgan v. Daniels Applies, It Was Not Followed by the CCPA.

Respondent also argues that if the rule of *Morgan* v. *Daniels* were applicable, the CCPA followed it, as evidenced by its statements that the Board of Patent Interferences reached its conclusion by an analysis "considered to be clearly in error for the reasons already pointed out." Resp. Br. at 12, quoting Pet. App. B, at 17a. But those "reasons" are obviously only conclusions different from those drawn by the successive, concurring experts of the Patent Office tribunals on the factual issues before them.* The mere invocation of the magic formula "clearly in error" cannot mask that the Court below substituted its judgment for that of the triers of fact.

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*These factual issues, as described by the CCPA, related to such matters as whether "laid down" means, to persons skilled in the art and in the context of miniature electronic circuits, that the conducting material so laid down would adhere to the insulating surface, whether "laid down" had that meaning to persons skilled in the art at the time the Kilby '602 application was filed in 1959; and whether the techniques of depositing aluminum on capacitor plates would suggest to persons skilled in the art (as of that date) that the same techniques could be applied to laying down conductive materials on an insulating layer of a semiconductor device such as was disclosed in petitioner's '602 application as filed.

In addition, the CCPA deemed it unnecessary to consider whether gold films adhered to silicon oxide, although this was an issue on which the parties devoted a substantial part of the testimony taken in the interference. Pet. App. B, at 11a, n. 7. But the CCPA could not ignore this evidence. As this Court has said:

> "[As] it cannot be expected that the court will possess the requisite knowledge for this purpose, it becomes necessary that it should avail itself of the light furnished by the evidence to enable it to understand the terms used in the patent. . . ." *Loom Co.* v. *Higgins*, 105 U.S. 580, 586 (1882).

3. The "Clearly Erroneous" Standard Is Applicable Even When the Only Evidence Submitted Is of a Documentary Nature.

Respondent argues that the "clearly erroneous" standard of Rule 52 is not applicable when the only evidence submitted to the trier of facts is "documentary". Here, as is usual in interference cases, the so-called "documentary evidence" consisted in significant part of depositions of both fact and expert witnesses, questioned at length in direct and cross examination by counsel for both parties. The factual findings by the Board of Patent Interferences based on such evidence were entitled to no less deference by the appellate court than findings based on other types of evidence. 2B Barron & Holtzoff, *Federal Practice and Procedure*, 521-24 (Wright ed. 1961).

Respondent's argument inexorably leads to the result that in patent interference cases the CCPA can decide *de novo* all issues, both legal and factual. But the Court of Customs and Patent Appeals is a Court of Appeals. It must apply to its reviewing function the same standards as are applied by all other courts of appeals. *Cf. Zenith Radio Corp.* v. *Hazeltine Research, Inc.*, 395 U.S. 100, 123 (1969). Those standards do not permit appellate courts to retry facts, whether those facts are found in documents, depositions or from live testimony. The trial function is committed elsewhere. The appellate court's authority is circumscribed by the deference it must give to findings by the trier of fact supported by evidence of record unless those findings are "clearly erroneous." *Ibid.* That is the rationale of *Morgan* v. *Daniels*. That is the rule this Court should require the CCPA to follow.

4. The Issue Presented Here Is One of First Impression and Is Closely Related to a Recurring Problem for the Lower Federal Appellate Courts.

Petitioner has pointed out that this Court has never before reviewed a decision of the CCPA in a patent interference case and has suggested that this case is an appropriate vehicle for doing so. The cases cited by respondent (Resp. Br. at 6, note 3) to the effect that this Court has previously declined opportunities to review such cases, all preceded this Court's decision in *Brenner* v. *Manson*, 383 U.S. 519 (1966), which, for the first time, held that this Court had jurisdiction to review decisions of the Court of Customs and Patent Appeals in patent cases. Petitioner respectfully urges the Court to consider the recurring problem of establishing proper standards of review for patent interference cases. With regard to patent *infringement* cases, the Court had occasion as recently as 1969 to state:

> "In applying the clearly erroneous standard to the findings of a district court sitting without a jury, appellate courts must constantly have in mind that their function is not to decide factual issues de novo. The authority of an appellate court . . . is circumscribed by the deference it must give to decisions of the trier of the fact. . . ." *Zenith Radio Corp.* v. *Hazeltine Research, Inc.*, 395 U.S. 100, 123 (1969).

This Court should now affirm that the same rule is applicable to the CCPA in deciding patent *interference* cases.

Respectfully submitted,

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